

clients, predominantly law firms, auditing firms, financial institutions, and insurance companies, particularly focusing on executives in legal, audit, compliance, and human resources functions. Currently, Hedley May L.P. has two partners and four staff members. Hedley May L.P. does not act, and has not acted, on behalf of political candidates, campaigns, or public officials. Hedley May L.P. does not conduct "opposition research."

Regina Glocker was a partner at Hedley May L.P. from March 2017 to March 8, 2018, when she resigned voluntarily to pursue another opportunity. Hedley May L.P. understands that Ms. Glocker has had a personal relationship with Senator Gillibrand for decades and has supported the Senator's campaigns as a donor.

Hedley May L.P. partners are not salaried employees. Rather, they are compensated on a commission basis and may also be entitled to periodic payments (typically semi-annually) from profits of the partnership. For work performed in 2018, Ms. Glocker is only entitled to receive an agreed-upon portion of the commissions paid for a handful of executive searches.

On March 10, 2018, Page Six of the *New York Post* published a column claiming that Senator Gillibrand had hired Ms. Glocker to conduct "opposition research on Farley." The complaint alleges that Hedley May L.P., through the actions of Ms. Glocker, may have made a prohibited corporate contribution to Senator Gillibrand's campaign by using Hedley May L.P. resources to conduct "opposition research" on behalf of Senator Gillibrand, without compensation.

Hedley May L.P. is a non-political and non-partisan organization and does not act for any political organization on either a paid or unpaid basis. Senator Gillibrand did not engage Hedley May L.P. to provide services of any type. Ms. Glocker did not use Hedley May L.P. resources to provide services or anything of value to the Gillibrand campaign. Hedley May L.P. did not direct or instruct Ms. Glocker to engage in any type of service for Senator Gillibrand or her campaign and had no involvement in Ms. Glocker's personal political activities.

II. Legal Analysis

A. *The Complaint Is Insufficient to Find "Reason to Believe" That a Violation Occurred.*

The Commission may find "reason to believe" that a violation of the Federal Election Campaign Act ("FECA" or the "Act") has occurred where the complaint credibly alleges that a violation may have occurred and where the available information warrants either an investigation or immediate conciliation.² A complaint is insufficient if it "presents nothing more than idle, unsupported speculation."³ "[P]urely speculative charges, especially when accompanied by a direct refutation," are insufficient to make a reason-to-believe finding.⁴ "[A] no reason to believe finding would be

² See 52 U.S.C. § 30109(a)(2).

³ See MUR 5467 (Michael Moore), First General Counsel's Report at 6 (July 22, 2004).

⁴ MUR 4960 (Hillary Rodham Clinton for U.S. Senate Exploratory Committee, Inc.), Statement of Reasons of Commissioners David M. Mason, Karl J. Sandstrom, Bradley A. Smith, and Scott E. Thomas at 3 (Dec. 21, 2000) (citation omitted).

appropriate when . . . a complaint alleges a violation but is either not credible or is so vague that an investigation would be unwarranted.”⁵

In the present matter, all the Commission has before it is anonymous, unsworn, unsupported speculation. Ms. Coughlin’s complaint relies solely upon a Page Six column that lacks any sources for its contentions. The complaint makes three unsupported contentions: (1) that Ms. Glocker used corporate resources; (2) to conduct opposition research; (3) on behalf of Kirstin Gillibrand. These claims are not supported by any evidence, based on personal knowledge or otherwise, as no such evidence exists.

The Office of the General Counsel should recommend, and the Commission should find, no reason to believe that a violation has occurred and dismiss the complaint.

B. No FECA Violation Has Occurred Because No Contribution Was Made from Hedley May L.P. to Senator Gillibrand’s Campaign.

1. No Contribution Has Been Made By Hedley May L.P. Because Nothing of Value Has Been Provided to Senator Gillibrand’s Campaign.

The Act prohibits a corporation⁶ from making a “contribution” for the purpose of influencing a federal election, to include a gift or anything of value.⁷ The “provision of any goods or services without charge or at a charge that is less than the usual and normal charge for such goods or services” is treated as an in-kind contribution.⁸

An in-kind contribution cannot occur where no good or service has been provided to the purported recipient. Hedley May L.P. does not conduct opposition research for any political party, candidate, or committee. Hedley May L.P. did not provide “anything of value” in the form of opposition research, for compensation or otherwise, to the Gillibrand campaign. Further, Ms. Glocker did not use corporate resources to provide any good or service to the Gillibrand campaign.

2. No Contribution Has Been Made By Hedley May L.P. Because Ms. Glocker Is Not Compensated for Time Spent on Personal Activities.

A “contribution” includes “the payment by any person of compensation for the personal services of another person which are rendered to a political committee without charge for any purpose.”⁹ 11 C.F.R. § 100.54(b) provides:

⁵ Fed. Election Comm’n, *GUIDEBOOK FOR COMPLAINANTS AND RESPONDENTS ON THE FEC ENFORCEMENT PROCESS* at 13 (May 2012).

⁶ The complaint fails to specify whether the hypothetical contribution was made by Hedley May L.P. (a limited partnership) or Hedley May GP LLC (a limited liability corporation). Without waiving any potential arguments, we do not address in this response whether the hypothetical contribution would have been made from the partnership or the corporation and the applicable treatment under FECA.

⁷ 52 U.S.C. §§ 30118(a), (b)(2); 30101(8)(A)(i).

⁸ See 11 C.F.R. § 100.52(d)(1).

⁹ 52 U.S.C. § 30101(8)(A)(ii); 11 C.F.R. § 100.54.

[n]o contribution results where an employee engages in political activity during what would otherwise be normal working hours if the employee is paid on a commission or piecework basis, or is paid only for work actually performed and the employee's time is considered his or her own to use as he or she sees fit.

Even if the complaint contained facts sufficient to show that Ms. Glocker provided personal services to the Gillibrand campaign, such services would not constitute a contribution by Hedley May L.P. because Ms. Glocker was not, and will not, be compensated by Hedley May L.P. for that activity. For work performed in 2018, Ms. Glocker is only entitled to receive an agreed-upon portion of the commission received for a handful of executive searches. Ms. Glocker has not and will not receive any compensation or benefit for any time spent in 2018 on any activity other than to conduct those particular executive searches. Thus, Hedley May L.P. could not have made an in-kind contribution to the Gillibrand campaign, even if Ms. Glocker had provided services to the campaign.¹⁰

For the foregoing reasons, we respectfully request that the Office of the General Counsel recommend, and the Commission find, no reason to believe that Hedley May L.P. violated the Act and dismiss the complaint.

Please contact us with any questions or concerns.

Sincerely,



Claire Rajan

cc: Jeff Jordan, CELA, OGC

¹⁰ In any event, any such time that may have been treated as an in-kind contribution of services would have been *de minimis* and fallen within the volunteer exception. 11 C.F.R. §§ 100.74, 114.9.

Affidavit of Gale Kroeger

I, Gale Kroeger, state:

1. I am the Chief Financial Officer at Hedley May LP, a New York limited partnership located in New York, NY. Hedley May L.P. is an executive search firm that provides recruiting-related services.
2. Hedley May L.P. does not perform any services, including conducting "opposition research," for political parties, candidates, or other political organizations.
3. Regina Glocker is a former partner at Hedley May L.P. On March 8, 2018, Ms. Glocker resigned voluntarily to pursue another opportunity.
4. Hedley May L.P. resources were not used in connection with or on behalf of Senator Gillibrand's campaign.
5. Hedley May L.P. partners are not salaried employees. Rather, they are compensated from profits of the partnership and on a commission basis.
7. Ms. Glocker was not a salaried employee.
8. For 2018, Ms. Glocker is only entitled to receive an agreed-upon portion of the commissions paid for a handful of executive searches.

This, the 24 day of May, 2018.



Gale Kroeger

Sworn to and subscribed to before me this 24 day of May, 2018.



Notary Public

My Commission expires on 12/22/18.

